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# TEMBI DESIGN CENTER STRATEGIC DEVELOPMENT PLAN

WORKSHOPS SERIES IN TEMBI, YOGYAKARTA

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## **DISCLAIMER**

THE AUTHOR'S VIEWS EXPRESSED IN THIS PUBLICATION DO NOT NECESSARILY REFLECT THE VIEWS OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT OR THE UNITED STATES GOVERNMENT.

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**Lead Consultant:**

Feraldi Loeis

**Consultants:**

Patrick Kadian (SENADA Senior Industry Advisor)

Sutrisna (SENADA Industry Advisor)

Deborah Rosa

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# I. BACKGROUND AND OBJECTIVE

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## 1.1 BACKGROUND ON TEMBI VILLAGE AND DESIGN CENTER

Tembi, a village 30 minutes south of Yogya, is the place where Warwick Purser founded and developed Out of Asia (OOA) into Indonesia's largest exporter of trendy hand made home accessories. From this village, OOA produces what it sells by employing or contracted to people in areas that were otherwise deprived of opportunities. By doing so, OOA brought economic improvements and sustainable livelihood to the communities involved. This idyllic relationship actually also benefits OOA, for its ability to leverage its neighbors' artisanal skills, their creativity, and the abundance and variety of material available combined with its ability to apply knowledge of markets and understanding of life style and design principles to design and produce products that the world wants, is key to its sustainable success.

In the rest of Indonesia, especially where crafts making is an important source of income to the population, the local circumstances of skills, creativity, and material are equally accessible, but the capacity to design market appropriate products is not so readily available. While in Europe and the US, where most of the products are marketed, although companies have access to the capacity to design products for their markets, the understanding of the potential of Indonesia as a source for well made hand crafted products and of sustainable and natural material is not there. Thus unless these capacity and knowledge gaps are bridged, these economic potentials and the businesses and employment opportunities that they can bring will never be fully realized.

In view of the above situation Warwick Purser, contemplates to establish a design center in Tembi that would facilitate information and knowledge dissemination and capacity building for developing market appropriate products that would benefit and involved parties from the production side as well as the market side of the industries involved. In the development of the Center, because design schools are natural stakeholders to the center's aspirations, international and Indonesian design schools were actively invited to take part in the design of the center.

## 1.2 BACKGROUND ON SENADA

SENADA is a four-year project financed by the United States Agency for International Development (USAID). Started in September 2005, the objective of SENADA is to generate growth, jobs and income by increasing the competitiveness of Indonesia's major labor intensive light manufacturing industries. SENADA focuses on six industries: footwear, furniture, auto parts, garments, home accessories and information and communications technology (ICT). One of SENADA's objectives is to increase the competitiveness of the home accessories industry in the growing market segment of sustainable, eco-friendly products through Indonesian brand strengthening and industry upgrading. A vital element of the strategy is to assist in building strong, market driven local institutions. The creation of a world class Design Center is one of the central activities to this strategy.

## 1.3 OBJECTIVE OF REPORT

Facilitate the completion of a clear, practical strategic plan for the creation of a sustainable home furnishings design center. The strategy must represent a strong consensus among founding stakeholders in the design center and must be realistic in terms of the resources and capacities of these stakeholders. The strategy must include a roadmap of actions required to implement the strategy within an agreed upon timeframe.

## II. STAKEHOLDERS AND METHODOLOGY

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### 2.1 DESIGN CENTER STAKEHOLDERS

At the onset of the project, when SENADA was invited to provide support, the major key components of the Design Center, such as the location and the major stakeholders were already ascertained as determined by the objective of the design center. These stakeholders are:

- Warwick Purser and the people of the village of Tembi as hosts of the Design Center.
- Design schools based in the markets where the products are sold as well as Indonesian schools as the source of information, knowledge, human resources, as well active participants of the activities to be established.
- Exporting businesses of products made in Indonesia and their buyers.
- Product designers.

Also predefined as interested stakeholder and potential founders before the beginning of the project, as discussions were already on going between Warwick Purser with three design schools which are: Goldsmiths College of the University of London, Institute Seni Indonesia of Yogyakarta, and Institute Technology Bandung, West Java. Before the workshop, it was determined that it would be wise to invite other Indonesian design schools to participate in the workshop and potential become founding stakeholders in the design center in an effort to broaden participation and potentially impact of the center. In the same token someone that can represent the interest of the Rhode Island School of Design, one of the US most prominent design school, was also invited, but unfortunately was unable to attend at the last moment.

### 2.2 REPORT METHODOLOGY

To accomplish the objective, the project was predetermined to consist of a two days workshop that will involved all stakeholders and a pre-workshop discussions with key stakeholders that must include Warwick Purser and representatives of Goldsmiths College.

- **Pre-Workshop Discussion.** The reason for the pre-workshop discussion is to (a) discuss potential function and activities of the Tembi Design Center and (b) determine the level of interest and potential involvements and commitments that Goldsmith College can have with regard to the Tembi Design Center. The findings in the pre-workshop discussions were then used to guide the discussions in the workshop.
- **Workshop.** The workshop was held in two days and it involved all stakeholders that potentially can be invited as founders of the Tembi Design Center. The Workshop agenda included to:
  - Articulate Design Center objectives.
  - Design illustrative Design Center program activities.
  - Agree on proposed Design Center legal status and governance structure.
  - Outline of Design Center infrastructure and physical assets requirements.
  - Outline of Design Center operational requirements, including human resources.
  - Develop Design Center financial requirements and sustainability plan.

### III. PRE-WORKSHOP DISCUSSION (JAN 14-15)

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The Pre-Workshop discussions were held in Tembi, at the home of Warwick Purser. The participants of the discussions included:

1. Warwick Purser, representing the village of Tembi's stakeholders
2. Terry Rosenberg, Goldsmith College, Senior Lecturer and Head of Department of Design
3. Martin Conreen, Goldsmiths College, Lecturer in Design
4. Mike Waller, Goldsmiths College, Lecturer in Design
5. Hannah Jones, Goldsmiths, Associate Tutor in Design
6. Mathilda Tham, Goldsmiths College, Visiting Tutor in Design
7. Treechada Chotiratanapinun, Goldsmiths College, MRES Design Student
8. Patrick Kadian, SENADA

As the discussions revolved around potential activities that Goldsmiths would be interested in and can be involved in and the role and the activities of the Design Center, the major activities that become the outcome of the pre-workshop discussions are:

- **Professional Exchanges.** These are activities that would involve the participation of UK based professional in the design industry and designer-makers, who are producers of goods that are also designers and business owners, which would come to Indonesia to study Indonesian craft making, materials, and potential sourcing and collaborations. A possible stakeholder, that would be interested in such activities and possibly find funding for the activities, is an association of designer-makers from the UK named Cockpit Art. Indonesian designers and designer-makers participants would visit the UK or other European businesses, trade shows, etc. to learn about designing for the European market, the needs of the market, the requirements of doing business in Europe, and seek potential collaborations.
- **Research Center.** One area that Goldsmiths is keen on getting involved in is research, for it is currently its biggest income contributor to the college. Many research areas have been determined to be of interest to Goldsmiths for they are very much aligned to existing interest and competency of the college such as research in materials, with a special emphasis on sustainable materials. Furthermore, research is seen to be able to also attract the participation and funding from UK and European private sector as well as design schools and businesses from outside Europe like the Rhode Island School of Design (RISDI) from the US and Australian based Royal Melbourne Institute of Technology (RMIT).
- **Teaching And Student Exchanges.** Because by definition teaching and studying are naturally part of the activities of higher education institutions, teaching and student exchange programs are also seen to be easiest to start and implement. Furthermore, UK based Goldsmiths College has experience in accessing potential funding from the British Counsel for such activities. For exchange programs, funding is known to be available for both UK based schools and students as well as their Indonesian counterparts. A potential hurdle that has been determined needing to be overcome for an exchange program to be considered by the stakeholders of Goldsmiths College is the quality of the facilities in which the students and teaching staffs will be living and working in while in Indonesia. Although to most individuals the current facilities available are considered adequate, the standard as determined by Goldsmiths College to be the minimum might be higher and will be monitored.

- **Design Collaborations.** These sets of activities will not only involve the collaboration of the design schools, but they will also involve private sector participants that will directly benefit from the collaborations. The activities can be done in Indonesia and engage student from the UK and Indonesia under the supervision of teaching staffs in projects to design products for clients. Or, they can be done in the UK where students are engaged in a competition to design products for clients. In all the cases, if and when the products of their designs are sold, students and schools alike expect to receive design royalties.
- **Cooperative Academic Programs.** Similar to exchange programs, academic programs are easy to conceive and implement as they can be made an extension to existing academic programs of the individual partners. As a degree awarding institution, Goldsmiths College will need an Indonesian academic institution to collaborate with to deliver their program in Indonesia. Funding needs are perceived to be minimal but the potential return, both for Goldsmiths College and their Indonesian School partner will be quite rewarding. Furthermore, as part of an academic program, the activities can include collaborative researches, another source of income for all concerned.
- **Archives.** Another forte that that Goldsmiths College is eager to share in Indonesia is their capacity and experience in developing and managing archives as well as the dissemination of the information in the archives via the Internet. Goldsmiths College foresee these capacities can be potentially important for developing future products both to learn from past products as well making available information on material for future design and production.

## IV. DESIGN CENTER WORKSHOP (JAN 22 – 23)

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The Workshop focus group discussions were held in Tembi, at the home of Warwick Purser. The participants of the discussions included:

1. Warwick Purser, Tembi
2. Terry Rosenberg, Goldsmith College, Senior Lecturer and Head of Department of Design
3. Martin Conreen, Goldsmiths College, Lecturer in Design
4. Mike Waller, Goldsmiths College, Lecturer in Design
5. Hannah Jones, Goldsmiths, Associate Tutor in Design
6. Caroline Knowles, Goldsmiths College, Professor of Sociology
7. Treechada Chotiratanapinun, Goldsmiths College, MRES Design Student
8. A.M. Hermien K, Institut Seni Indonesia, Lecturer in Design
9. Anom Wibisono, Institut Seni Indonesia, Lecturer in Design
10. Rahmawan D. Prasetya , Institut Seni Indonesia, Lecturer in Design
11. Biranul Anas, Institut Teknologi Bandung, Dean of the Faculty of Design of Art and Design
12. Andriyanto Wibisono, Institut Teknologi Bandung, Lecturer in Interior Design
13. Soeprapto Soedjono, Institut Seni Indonesia, Dean of the Faculty of Recorded Media
14. Aloysius Baskoro, Universitas Pelita Harapan, Head of the Department of Product Design
15. Steve Smith, SENADA
16. Patrick Kadian, SENADA

The discussions started with a focus group discussion to determine the interest and potential commitments of the stakeholders. The outcome of this focus group included the entire outcome from the previously held discussions with Warwick Purser and the Goldsmiths College representative that determined what would be the activities that the design schools would be interested in doing with an additional two points. These points were suggested by the Indonesian stakeholders as activities that the Center would be responsible for:

- Promotion of Design Education and Design Capacity. The Indonesian stakeholders felt that there is a call to promote the need for design education and the development of design capacity in businesses. Furthermore, as the Center develops its capacity, there will be a need to promote it and to have the center to network with other such organizations and centers around the world.
- Advocacy of Intellectual Property Rights. Also as important, it was felt that there is a need to have the Center be active in representing the voice of the design community in matters of the law and regulation with regard to intellectual property.

To determine potential buy in of the various activities, the participants were asked to choose which activities they would spend their money and resources on. The two additional activities received the least amount of support by a large margin. Although there was a consensus to keep these activities are part of the activities of the Center, it is also determined that the priority of the activities of the Center should be the responsibility of the future management of the Center. Through the process of focus group discussions, three things were accomplished:

- The creation of a mission statement which was read by Warwick Purser at the Workshop as follows:

*The Design Centre in Tembi will be established to facilitate the meeting of creative people who work in a range of expressive visual and craft-based arts. The Centre will allow creative people who work with their hands to exchange ideas and techniques across a range of media and engage with local materials and all aspects of local material culture. The aim of the centre is expose Indonesians, especially those from outlying areas, to other creative people and to those with formal training in a range of expressive visual arts with a view to developing their talents in new and exciting directions. Simplicity and sustainability in dialogue with naturally occurring materials will be positively encouraged. It is anticipated that in some cases this will lead to developing rural craft-based business in ways that sustain and enhance local rural economies and act as a disincentive to rural-urban migration. The Centre will positively encourage visitors from overseas who are proficient in visual expressive and craft-based arts, particularly students and instructors, to come and work with Indonesians and Indonesian materials. It is expected that dialogues of collaborative creativity will allow overseas visitors to develop exciting new directions in their own work, as well as exposure to broader aspects of Indonesian cultures and religions. This is an important moment in which to develop new dialogues with Islamic countries. (Warwick Purser and Caroline Knowles)*

- A list of activities that the design school participants agreed to be potential activities that they would want to be involved in, that are as described above:
  - Professional exchanges.
  - Research center.
  - Teaching and student exchanges.
  - Design collaborations.
  - Cooperative academic programs.
  - Archiving
- A list of activities and responsibilities, that the design schools participants as stakeholders of the Center feel that the Center should bear in addition to those that are related to the support of its stakeholders. These activities are:
  - Promotion of design education and design capacity.
  - Advocacy of intellectual property rights.

Although a group activity to determine time lines and action plans for follow up activities to setup the Design Center was completed, the following points were stated:

- Goldsmiths College is very much interested in participating in most if not all the activities that has been discussed that the Design Center will facilitate. But, because it has no funds of its own to pledge and even if there is, the representative of Goldsmiths present in the workshop do not have any information of this nor have the authority to pledge on behalf of the College.
- The Design Center should be an Indonesian initiative established by Indonesian founders. As such, any non Indonesian participation should be in the form of cooperation of with the Design Center or with Indonesian organizations facilitated by the Design Center.
- The present Indonesian stakeholders should form two committees: Design Center Founding Committee and Design Center Working Group. **Design Center Founding Committee:** Will have members consisting of senior representatives of the Indonesian organizations represented at the workshop and appointed to the Committee by their organization. The function of the Founding Committee will be to (a) design the legal status and governance structure the design center; and (b) determine the program activities that the center will have, based on the finding of in the workshop.

Suggested member of the Founding Committee membership are:

- Warwick Purser, Tembi
- Biranul Anas, Institut Teknologi Bandung
- Soeprapto Soedjono, Institut Seni Indonesia
- Aloysius Baskoro, Universitas Pelita Harapan
- The Dean of the Faculty of Art and Design, Universitas Trisakti.

**Design Center Working Group** members will appointed by the respective member of their organization member at the Founding Committee. The representatives of Goldsmith College have appointed Martin Conreen as contact person for Goldsmiths College with the Working Group of the Tembi Design Center. And furthermore, the task of the Working Group will be to act upon the output or decisions of the Founding Committee with a target to realize the formation of the Tembi Design Center by at least accomplish the following:

- Outline the Design Center Infrastructure and Physical requirements.
- Outline the Design Center Operational requirements.
- Develop Design Center financial and sustainable plan.

Suggested for Working Group membership include:

- Martin Conreen as liaison officer of Goldsmiths College with the Tembi Design Center.
- To be appointed by Warwick Purser.
- To be appointed by ITB.
- To be appointed by ITS.
- To be appointed by UPH.
- To be appointed by Trisakti.

The two committees main function is then to:

- Formulate the Design Center program activities and responsibilities as guided by the mission statement and by the activities that the stakeholders wish to accomplish and the suggested activities and responsibilities related to Promotion of Design Education and Design Capacity and Advocacy of Intellectual Property Rights.
- Formulate governance structure of the Design Center.
- Formulate legal status of the center.

## V. NEXT STEPS FOR THE DESIGN CENTER

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The project did not quite accomplish all of the items as specified in the objectives of Scope of Work. The following is a run down of what was accomplished as compared to the objective as prescribed by the Scope of Work as well as suggestions for the continuation of the work:

- **Articulate Design Center Objectives.** A mission statement was articulated by Warwick Purser during the two days Workshop that was used to guide the work in the Design Center workshops. Unless there is any major objection, the mission statement is clear in what the Center is.
- **Design Center Program Activities.** The project was able to gather by way of the discussions and focus group discussions potential activities that the stakeholders would be interested in doing as well as what the Design Center could do as described in the paragraphs on Pre-Workshop discussions and the Two day Workshop. The activities that the design schools stakeholders would be interested in doing include:
  - Professional exchanges.
  - Research center.
  - Teaching and student exchanges.
  - Design collaborations.
  - Cooperative academic programs.
  - Archives.

Thus, the Design Center activities and responsibilities would be to facilitate and support the stakeholders in the activities that they have declared as of interest to the above and in addition be responsible to (a) to promote design education and design capacity development and (b) to advocate intellectual property rights.

The description of what these main activities can be found in the section regarding the result to the pre-workshop discussion with addition of the activities requested by the Indonesian stakeholders relating to Advocacy and Promotion.

- **Outline of Design Center infrastructure and physical assets requirements.** Although the project was not able to fully construct the outline of the Design Center infrastructure and assets requirements, for there was just not enough time and willingness from the participants to continue further into details, as most are unsure of their organizations' readiness to be involved is not very clear. Yet, the workshop was able to gather enough information to provide much head start on what most of those requirements will be for the Working Group to explore in more depth for activities that have been found to be of interest to the stakeholders.
- **Outline of Design Center operational requirements, including human resources.** As for the above objective, the project was not able to fully realize this objective for the same reason.
- **Develop Design Center financial requirements and sustainability plan.** This objective is very dependent on the two above, and thus a discussion on the subject was requested by workshop participants to be deferred until the Center's activities have been set by its Founding Committee.

- **Agree on proposed Design Center legal status and governance structure.** Although there was no agreement on the legal status and governance of the Design Center, there was a clear direction for Design Center to be a not for profit organization. Furthermore, steps taken to form a Founding Committee and a Working Group that will include in their agenda discussions and activities to secure legal and governance structure for the Design Center.
- **Development of a Founding Committee Action Plan.** The Founding Committee, as its first priority, convene to act on the mission statement and the findings of discussions of the workshops in Tembi and finalize on the activities and responsibilities of the TEMBI Design Center, settle on other pending matters such as residence of the Center, decide on other resources to be provided by the various stakeholders, etc. The Founding Committee should as soon as possible appoint members of the Working Group. The Founding Committee should have the Working Group convene to:
  - Design a financial and sustainability plan to be proposed to the Committee.
  - With guidance from the Committee, search and propose for a CEO of the Design Center.
  - When a CEO has been appointed, help the CEO in preparing for staffing and systems and procedures of the Center.
  - Help the Committee prepare for a Governance Structure of the Center.
  - Help the Committee prepare for a legal structure of the Center.
- **Define TEMBI Design Center Program Activities.** The Center's activities should clearly and closely follow the guidelines of the mission statement and the interest and suggestions of the design school stakeholders. Then Center activities will have to include:
  - Facilitator and event organizer to support the activities of the design school stakeholders.
  - Fundraising to support its activities and those of its design school stakeholders.
  - Promotion of Design Education and Design Capacity Development.
  - Advocacy of Intellectual Property Rights.

The challenge to the management of the Design Center is to design the organizational structure and the needed infrastructure and assets requirements.

- **Define Governance Structure.** For its governance structure, the project suggests that the Design Center adopts an NGO governance structure. As such, the Founding Committee will need to appoint an NGO Governing Board of Trustees for the Design Center. In turn, the Board will appoint a CEO of the NGO. Because of legal and tax implication on the makeup of the Board and the management of the NGO, as described bellow, the membership of the board and the management of the NGO should be carefully considered so as to not hamper the Center's future ability to receive non taxable donation. For further information on forming a NGO, enclosed is a power point presentation on Good Governance for NGO, by Noshir H. Dadrawala as found on the Web site of MASTEK, [www.indianngo.com](http://www.indianngo.com)
- **Define Legal Structure.** As it is clear that the Design Center will be a not for profit organization, the following are information relevant for the legal formation of the Center:
  - From the point of view of the Directorate General of Taxes, all companies are for profit, thus are taxable on their income.
  - The difference between a company formed as a Perusahaan Terbatas (PT or a Limited Liability company) and a Yayasan is allowed to declare, with due proof, that specific

moneys that it receives are actually donation from non related person or organization, to be non taxable; and a PT is taxable for all moneys it receives.

- Other than non taxable donation, a yayasan is liable for all taxes that apply to other form of businesses.
- A non related persons or organizations to a yayasan are someone who is not an investor or has direct interest in the organization. An organization is considered to be of relation to the yayasan if it is an investor of the yayasan or has appointed someone to take part in the day to day management the yayasan.
- Anyone can invest in a yayasan, including a non resident person or entity.

With the understanding on the above in mind and the understanding that the Design Center will be receiving funds from other organizations as donation, the Design Center is suggested to be legally formed as a yayasan. But, it should be known that there has been much abuse of the use of the yayasan as a legal entity to avoid tax responsibilities. For that reason, the Directorate General of Taxes has often audited the financial and fiscal reports of yayasans very closely, more often than they have for other forms of legal entities.

Consequently, it is highly recommended that the Design Center should get both legal and tax counsel prior to the legal formation to assure adherence of its legal status and governance structure to the correct interpretation of the law and the complex implication of tax policies with regard to a yayasan. For further reading please find enclosed a copy of *NGO Governance and Accountability in Indonesia: Challenges in a Newly Democratizing Country*, by Hans Antalov, Rustam Ibrahim, and Peter van Tuijl as was published at the web address of Just Associates, [www.justassociates.org](http://www.justassociates.org).

- **Enclosures To Possibly Serve As Reference Materials:**

- Workshop Outputs, including exchange group presentations; archive and promotion group presentations; program group presentations; information and advocacy presentation; research and collaboration presentation.
- *NGO Governance and Accountability in Indonesia: Challenges in a Newly Democratizing Country*, by Hans Antalov, Rustam Ibrahim, and Peter van Tuijl as was published at the web address of Just Associates, [www.justassociates.org](http://www.justassociates.org).
- *Good Governance for NGO*, by Noshir H. Dadrawala as found on the Web site of MASTEK, [www.indiannngo.com](http://www.indiannngo.com).

**SENADA – Indonesia Competitiveness Program**

BRI II Tower, 8<sup>th</sup> Fl, Suite 805  
Jl. Jendral Sudirman No. 44 – 46  
Jakarta 10210  
[www.senada.or.id](http://www.senada.or.id)